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**State of Wisconsin  
Governor Scott Walker**

**TO: Child Care Eligibility and Authorization Workers  
and Supervisors  
Income Maintenance Supervisors  
Income Maintenance Staff  
Training Staff  
Child Care Coordinators**

**DECE/BELP OPERATIONS MEMO**

**No: 18-26**

**DATE: 10/11/2018**

**Wisconsin Shares Child Care**

**FROM: Kath McGurk, Director  
Bureau of Early Learning and Policy  
Division of Early Care and Education  
Department of Children and Families**

**SUBJECT: CCDBG Phase 3 Stabilizing the Subsidy Amount during the Eligibility  
Period**

**CROSS REFERENCE:** [Child Care and Development Block Grant](#);  
[Child Care and Development Fund Final Rule](#);  
[Wisconsin Shares Child Care Policy and Process Handbook](#),  
Sections 2.4.5 Subsidy Maximum Rates, 2.4.7 Override  
Provider Price, 2.5.1 Copayments, 2.5.2 Copayment Types,  
2.5.3 Copayment Periods, 2.5.4 Subsidy Calculation, and  
2.5.5 Changes in Subsidy Amounts during the Eligibility  
Period;  
[Operations Memo 18-24](#);  
[Wisconsin Shares Copayment Schedule](#);  
[CSAW Authorizations User Guide](#);  
[CSAW Provider Screens User Guide](#)

**EFFECTIVE DATE:** November 1, 2018

**PURPOSE:** This Operations Memo informs local agencies of upcoming changes to the Wisconsin Shares Child Care subsidy calculations. These changes are part of the third phase of changes related to the 2014 Reauthorization of the Child Care Development Block Grant (CCDBG).

**BACKGROUND:** The CCDBG Act of 2014 requires states to create family friendly policies that help families maintain Wisconsin Shares Child Care Subsidy and support continuity of care for children. The Bureau of Early Learning and Policy (BELP) has implemented these requirements in three phases. The first phase eliminated the Six Month Report Form (SMRF) for Wisconsin Shares Child Care and established a 12-month eligibility period (see Operations Memo [16-20](#)). The second phase established a \$25,000 asset test for families (see Operations Memo [17-37](#)), allows a child who reaches the age of 13 to continue receiving Wisconsin Shares up to the next annual renewal (see Operations Memo [17-38](#)), and allows parents who experience a permanent loss of an approved activity to continue receiving Wisconsin Shares for up to three months while they search for another approved activity (see Operations Memo [17-45](#)). This third phase further enhances policies to promote continuity of care and reduce fluctuations in the monthly subsidy amount.

Currently, many factors can change a family's copayment and subsidy amount within their eligibility period (the time between renewals, or between initial eligibility confirmation and renewal). CCDBG requires that the child receive "at least the same level" of services during the eligibility period, regardless of changes in family income, a parent's temporary break from an approved activity, or a parent's reduction of hours in an approved activity (as long as the parent is still participating in the approved activity). The new policy introduced in this memo describes limitations to changes to the subsidy amount during the 12-month eligibility period. The Child Care Statewide Administration on the Web (CSAW) system will automatically apply or not apply changes according to policy. However, worker action is still required in CSAW when a provider reports new prices or gives a family a discounted price.

## **NEW POLICY:**

**Note:** All policy section references are specific to the Fall 2018 publication of the Wisconsin Shares Child Care Policy and Process Handbook. Some policy sections have been renumbered for the Fall 2018 publication and may not match previous section numbers.

### **2.5.5 Changes in Subsidy Amounts during the Eligibility Period**

The subsidy amount will remain stable during the 12-month eligibility period with a few exceptions.

#### **1. CWW Changes:**

The following are changes the worker makes in CWW that could impact the subsidy amount.

#### **Changes Related to the Case**

- **Change in Assistance Group (AG) or Income:** A change to the case's Assistance Group composition or income:
  - Can change the case's Federal Poverty Level (FPL) for the next month's calculations, which may or may not impact the copayment per hour based on the current Copayment Period (see 2.5.3).
  - Will not result in a higher Copayment Period.
- **Change in Child Placement Status:** A change in the child's relationship to the parent, such as the adoption of a foster child, will not result in a higher copayment (see 2.5.2) until the next eligibility renewal.

**Process:** When a worker enters changes into CWW, the information will interface with CSAW and the subsidy amount for future months will recalculate. The new subsidy amount will be effective the first day of the month after the change was entered and confirmed in CWW or the first of the recurring month if the change was entered after Adverse Action in CWW.

## 2. CSAW Changes:

The following are changes the worker makes in CSAW that could impact the subsidy amount. Before making a change to a child's authorization, see Section 2.4.2.

### Changes to Authorizations

- **Change in Subsidized Hours:** A change in subsidized hours for any child, including adding a new authorization, deleting an existing authorization, or ending an authorization (either by allowing the authorization to end systematically or by the worker manually ending the authorization):
  - Can impact the Initial Hourly Amount (see 2.5.4); the family copayment amount (see 2.5.1); the copayment distribution among children; and the Provider Price Type used in the subsidy calculation (i.e., full or part-time).
  - Will not impact the family's copayment per hour.

**Note:** If the child's copayment has already reached the 152 hour monthly cap (see 2.5.1), no additional copayment will be charged.

- **Change in Providers:** A change in a provider will impact the provider price that is used in the subsidy calculation. If the new provider is in a different county/tribe than the previous provider, the subsidy calculation will use the Maximum Rates for the new county/tribe (see 2.4.5).

### Changes Related to a Child

- **Change in Child Age:** A change in the child's age will not change the age bracket used for Provider Price or Maximum Rates (see 2.4.5) until the next eligibility renewal.
- **Special Needs Inclusion Rates:** The expiration of a child's Special Needs Inclusion Rate form (see 2.4.7.1) will not result in the removal of an "Override Special Need" Price. Unless the family indicates that they no longer need the override price, the override price for the child to attend that particular provider will continue until the next eligibility renewal.

### Changes Related to the Provider

- **New Provider Prices:** When a child care provider submits new prices, the worker should enter the new prices and the subsidy calculation will use the new provider's price for the next month's calculations. For information about entering new Provider Prices, see the [CSAW Provider Screens User Guide](#).
- **Provider Discounts:** When a child care provider gives a family a discounted price for an ongoing authorization, the worker should apply the discounted price to authorizations as of the first of the next month, and the subsidy calculation will use the discounted price instead of the provider's regular price. For information about entering a Provider Price discount, see the [CSAW Authorizations User Guide](#).
- **Provider YoungStar Rating Changes:** If a provider's YoungStar rating increases from a 2 star rating, the removal of the negative adjustment to the family's subsidy will be

applied at the beginning of the next month. If a provider's YoungStar rating decreases to a 2 Star rating, it will not result in a negative adjustment to the family's subsidy until the next renewal. Changes in YoungStar ratings can result in a decrease or increase to the provider's YoungStar Adjustment as of the effective date of the rating change.

- **Provider Regulation Changes:** A change in the provider's regulation category, such as a change from certified to licensed or vice versa, can affect the provider's category that is used in the subsidy calculation at the beginning of the next month.

**Note:** For information about how changes in Licensing/Certification can affect the authorization, please see Changes in Licensing/Certification – Impact on Other Child Care Programs (DCF-P-5271).

### **3. Departmental Mass Changes:**

The Department makes the following changes that could impact the subsidy amount.

#### **Federal Poverty Level and/or Copayment Schedule:**

The annual updates to the FPLs used in eligibility determination and copayment calculation:

- **Can** result in a change to the family's FPL level and resulting copayment per hour, and/or the family moving to a lower copayment period as of the effective date of the annual updates.
- **Cannot** result in the family moving to a higher copayment period.

#### **Maximum Rates:**

An update to the Wisconsin Shares Child Care Subsidy Maximum Rates can impact the Maximum Rates (monthly maximum and hourly maximum) used for the subsidy calculation (see 2.4.5) as of the effective date of the new Maximum Rates.

**Note:** New FPL numbers and Maximum Rates are published with an effective date of the first of the following month.

### **CONTACTS:**

For Wisconsin Shares Child Care policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at [BROCCPolicyHelpDesk@wisconsin.gov](mailto:BROCCPolicyHelpDesk@wisconsin.gov).

For Child Care CARES/CWW and CSAW Processing Questions statewide, and policy questions in Milwaukee County, contact the Child Care Subsidy and Technical Assistance line at: [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or (608) 422-7200.

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